

MEMORANDUM OF LAW

DATE: April 13, 1990

TO: Lawrence B. Grissom, Retirement Administrator
FROM: City Attorney
SUBJECT: Political Reform Act Disclosure Requirements
for Retirement System Investment Managers

This is in response to your memorandum of February 23, 1990, in which you ask whether consultants hired by the Retirement Board on a contract basis to manage Retirement System monies must file Statements of Economic Interest (SEI's). Your question arises because of new legislation effective January 1, 1990, requiring public officials who manage public investments to file the same SEI's as do elected officials, city managers, planning commission members and certain members of state agencies. The SEI's filed by this group of people are known as "721 Forms." A copy of the new law, Government Code section 87200 as amended by 1989 Cal. Stat. ch. 403, is attached for your reference.

In a notice dated March 13, 1990, the Fair Political Practices Commission (FPPC) interpreted this new law to exclude investment managers hired on contract from the definition of "other public officials who manage public investments." A copy of that notice is attached for your reference. The FPPC is also considering a regulation on this issue. We will alert you if the regulation changes the above-cited interpretation, or if another FPPC notice is issued which gives a different interpretation from that set forth above.

The FPPC has also stated on several occasions that they interpret the new law not to require government employees who manage public investments to file the 721 Forms until 1991, covering activities occurring in calendar year 1990. Again, if that interpretation changes we will alert you.

JOHN W. WITT, City Attorney

By

Cristie C. McGuire

Deputy City Attorney

CCM:jrl:920.8(x043.2)

Attachments

ML-90-49